

Hearing Date: June 18, 2010, at 10:00 a.m. (EST)
Response Deadline: June 13, 2010, at 4:00 p.m. (EST)

James H.M. Sprayregen P.C.
Paul M. Basta
Nicole L. Greenblatt
KIRKLAND & ELLIS LLP
601 Lexington Avenue
New York, New York 10022-4611
Telephone: (212) 446-4800
Facsimile: (212) 446-4900

Counsel to the Reorganized Debtors

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:)	
)	Chapter 11
)	
THE READER'S DIGEST ASSOCIATION, INC., <i>et al.</i> ,)	Case No. 09-23529 (RDD)
)	
Reorganized Debtors.)	
)	Jointly Administered
)	

**NOTICE OF HEARING ON REORGANIZED DEBTORS' OBJECTION TO MOTION
TO INTERVENE AS A PLAINTIFF/CREDITOR FILED BY JONATHAN LEE RICHES**

PLEASE TAKE NOTICE that on May 14, 2010, The Reader's Digest Association, Inc. and certain of its affiliates (the "*Reorganized Debtors*")¹ filed their objection (the "*Objection*")² to

¹ The Reorganized Debtors in these chapter 11 cases, along with the last four digits of each Reorganized Debtor's federal tax identification number, are: Alex Inc. (5531); Allrecipes.com, Inc. (3797); Ardee Music Publishing, Inc. (2291); Christmas Angel Productions, Inc. (2729); CompassLearning, Inc. (6535); Direct Entertainment Media Group, Inc. (2306); Direct Holdings Americas Inc. (1045); Direct Holdings Custom Publishing Inc. (7452); Direct Holdings Customer Service, Inc. (9015); Direct Holdings Education Inc. (5535); Direct Holdings Libraries Inc. (7299); Direct Holdings U.S. Corp. (4998); Funk & Wagnalls Yearbook Corp. (3787); Gareth Stevens, Inc. (2742); Home Service Publications, Inc. (9525); Pegasus Asia Investments Inc. (0077); Pegasus Investment, Inc. (4252); Pegasus Sales, Inc. (3259); Pleasantville Music Publishing, Inc. (2289); R.D. Manufacturing Corporation (0230); RD Large Edition, Inc. (1489); RD Publications, Inc. (9115); RD Walking, Inc. (6509); RDA Holding Co. (7045); RDA Sub Co. (0501); Reader's Digest Children's Publishing, Inc. (6326); Reader's Digest Consumer Services, Inc. (8469); Reader's Digest Entertainment, Inc. (4742); Reader's Digest Financial Services, Inc. (7291); Reader's Digest Latinoamerica, S.A. (5836); Reader's Digest Sales and Services, Inc. (2377); Reader's Digest Sub Nine, Inc. (2727); Reader's Digest Young Families, Inc. (6158); Reiman Manufacturing, LLC (8760); Reiman Media Group, Inc. (1192); Retirement Living Publishing Company, Inc. (9118); Saguaro Road Records, Inc. (2310); Taste of Home Media Group, Inc. (1190); Taste of Home Productions, Inc. (1193); The Reader's Digest Association, Inc. (6769); Travel Publications, Inc. (2927); W.A. Publications, LLC (0229); WAPLA, LLC (9272); Weekly Reader Corporation (3780); Weekly Reader Custom Publishing, Inc. (3276); World Almanac Education Group, Inc. (3781); World Wide Country Tours, Inc. (1189); WRC Media, Inc. (6536). The location of the Reorganized Debtors' corporate headquarters is: 1 Reader's Digest Road, Pleasantville, NY 10570.

the *Motion to Intervene as a Plaintiff/Creditor under Fed. Rules of Bankruptcy Procedure and Under Rule 24(a)(2) and 24(B)*, filed by Jonathan Lee Riches d/b/a Bernard L. Madoff [Docket No. 733] (the “**Motion**”).

PLEASE TAKE FURTHER NOTICE that a hearing on the Objection will be held before the Honorable Robert D. Drain, United States Bankruptcy Judge for the Bankruptcy Court for the Southern District of New York (the “**Court**”) on **June 18, 2010, at 10:00 a.m. prevailing Eastern Time** at the Bankruptcy Court, 300 Quarropas Street, White Plains, NY 10601.

PLEASE TAKE FURTHER NOTICE that responses, if any, to the Objection **must**: (1) be made in writing; (2) conform to the Federal Rules of Bankruptcy Procedures, the Local Bankruptcy Rules for the Southern District of New York (the “**Local Bankruptcy Rules**”) and that certain Order Establishing Certain Notice, Case Management and Administrative Procedures [Docket No. 92] (the “**Case Management Order**”); (3) be filed, in accordance with General Order M-242, electronically with the Court, with a hard copy marked “Chambers Copy” delivered to chambers pursuant to Local Bankruptcy Rule 9028-1; and (4) be served in accordance with the Case Management Order so it is **actually received no later than 4:00 p.m. prevailing Eastern Time on June 13, 2010** (the “**Response Deadline**”), by the Master Service List, the 2002 List and any Affected Party (as each is defined in the Case Management Order). A hard copy of any response must also be delivered via first class mail to the Office of the United States Trustee for the Southern District of New York, Attn: Andrea B. Schwartz, 33 Whitehall Street, 21st Floor, New York, New York 10004, within one business day of the Response Deadline.³

Dated: May 14, 2010
New York, New York

/s/ Nicole L. Greenblatt
James H.M. Sprayregen P.C.
Paul M. Basta
Nicole L. Greenblatt
KIRKLAND & ELLIS LLP
601 Lexington Avenue
New York, New York 10022-4611
Telephone: (212) 446-4800
Facsimile: (212) 446-4900

Counsel to the Reorganized Debtors

² All capitalized terms used but otherwise not defined herein shall have the meanings set forth in the Objection.

³ Copies of the Objection, the Case Management Order, the Master Service List, the 2002 List and all pleadings and other papers filed in these chapter 11 cases may be obtained, free of charge, by visiting the Reorganized Debtors’ restructuring website at: <http://www.kccllc.net/readers>.

Hearing Date: June 18, 2010, at 10:00 a.m. (EST)
Response Deadline: June 13, 2010, at 4:00 p.m. (EST)

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

)
) Chapter 11

THE READER'S DIGEST ASSOCIATION,
INC., *et al.*,

)
) Case No. 09-23529 (RDD)

Reorganized Debtors.

)
) Jointly Administered

**REORGANIZED DEBTORS' OBJECTION TO MOTION TO
INTERVENE AS A PLAINTIFF/CREDITOR FILED BY JONATHAN LEE RICHES**

The Reader's Digest Association, Inc. ("***Reader's Digest***") and certain of its affiliates (the "***Reorganized Debtors***")¹ hereby file this objection (the "***Objection***") to the *Motion to Intervene as a Plaintiff/Creditor under Fed. Rules of Bankruptcy Procedure and Under Rule 24(a)(2) and 24(B)*, filed by Jonathan Lee Riches d/b/a Bernard L. Madoff [Docket No. 733] (the "***Motion***"). In connection with this Objection, the Reorganized Debtors respectfully state as follows:

Background

1. Jonathan Lee Riches (the "***Movant***") is a federal prisoner notorious for his litigiousness. *See Zachery Kouwe, In Jail for Fraud, Inmate Claims Madoff Cheated Him*, N.Y. Times, Jan. 30, 2009, <http://dealbook.blogs.nytimes.com/2009/01/30/in-jail-for->

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fraud-inmate-claims-madoff-cheated-him/ (stating that Movant is serving sentence in South Carolina federal prison for wire fraud and that Movant, “has filed over a thousand lawsuits in the last three years including ones against Martha Stewart, the New England Patriots coach Bill Belichick, former President George W. Bush, the Nascar driver Jeff Gordon and Britney Spears”).

2. On May 3, 2010, the Movant filed the Motion, the body of which states:

COMES NOW, THE MOVANT, INTERVENOR JONATHAN LEE RICHES, MOVES THIS HONORABLE COURT TO INTERVENE IN THIS CASE AS A CREDITOR UNDER RULE 24(A)² - AS A UNCONDITIONAL MATTER OF RIGHT. ZUBER V. ALLEN. MOVES TO INTERVENE UNDER RULE 24(B) - PERMISSIVE INTERVENTION. NEVILLES V. EEOC. MY INTERVENTION BRINGS QUESTIONS OF LAWS AND FACTS THAT ARE COMMON IN THIS ACTION, I'M A CREDITOR AND A FINANCIEER. WITH THE READERS DIGEST ASSOCIATION, I HAVE DOCUMENTS, EXHIBITS, FINANCIAL RECORDS RELATED TO THIS CASE. MOVANT JONATHAN LEE RICHES CAN BE REACHED OR CONTACTED AT THE BELOW ADDRESS AND PRAYS THIS HONORABLE COURT WILL GRANT HIS MOTION FOR RELIEF.

The Movant, despite claiming to have “documents, exhibits, [and] financial records” related to these chapter 11 cases, has included no attachments with the Motion, and, as demonstrated above, the Motion offers no detail as to what these documents might be and what they contain. Further, the Reorganized Debtors’ books, records and schedules do not indicate that the Movant is a creditor of any of the Reorganized Debtors.

Response

Intervention Under Fed. R. Civ. P. 24(a)(2) and 24(b) is not Justified.

3. The Movant seeks to intervene in these chapter 11 cases generally, not in an adversary proceeding within these chapter 11 cases. Fed. R. Civ. P. 24(a)(2) and 24(b) apply to intervention in an “action.” The Federal Rules of Bankruptcy Procedure have defined “action,”

as used in the Federal Rules of Civil Procedure, as “an adversary proceeding or, when appropriate, a contested petition, or proceedings to vacate an order for relief or to determine any other contested matter.” Fed. R. Bankr. P. 9002(1). As the Motion does not seek to intervene in any of these types of proceedings, Fed. R. Civ. P. 24(a)(2) and 24(b) are inapplicable.

4. In addition, as another court facing a similar motion by the Movant has pointed out, the Movant’s request to intervene is defective for other reasons, including a failure to demonstrate either “an interest relating to the property or transaction that is the subject of the action,” as required for intervention under Fed. R. Civ. P. 24(a)(2), or, alternatively, that the Movant “(A) is given a conditional right to intervene by a federal statute; or (B) has a claim or defense that shares with the main action a common question of law or fact,” as required under Fed. R. Civ. P. 24(a)(2). *See Securities Investor Protection Corporation v. Madoff*, Case No. 08-01789 (Bankr. S.D.N.Y. Jan. 30, 2009) (denying Movant’s motion to intervene in adversary proceeding). Accordingly, the Movant’s request to intervene should be denied.

Notice

5. Notice of this Objection has been provided to Jonathan Lee Riches (at the notice address set forth in the Motion).

(Remainder of Page Intentionally Left Blank)

WHEREFORE, the Reorganized Debtors respectfully request that the Court enter the proposed order, attached hereto as **Exhibit A** (a) denying the Motion and (b) granting such additional relief as the Court deems just and proper.

Dated: May 14, 2010
New York, New York

/s/ Nicole L. Greenblatt
James H.M. Sprayregen P.C.
Paul M. Basta
Nicole L. Greenblatt
KIRKLAND & ELLIS LLP
601 Lexington Avenue
New York, New York 10022-4611
Telephone: (212) 446-4800
Facsimile: (212) 446-4900

Counsel to the Reorganized Debtors

Exhibit A

Proposed Order

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:)	
)	Chapter 11
)	
THE READER'S DIGEST ASSOCIATION,)	Case No. 09-23529 (RDD)
INC., <i>et al.</i> ,)	
)	
Reorganized Debtors.)	Jointly Administered
)	

**ORDER DENYING MOTION TO INTERVENE
AS A PLAINTIFF/CREDITOR FILED BY JONATHAN LEE RICHES**

Upon the *Reorganized Debtors' Objection to Motion to Intervene as a Plaintiff/Creditor filed by Jonathan Lee Riches* (the "**Objection**")¹ of The Reader's Digest Association, Inc. ("**Reader's Digest**") and certain of its affiliates (the "**Reorganized Debtors**");² and the Court having considered the *Motion to Intervene as a Plaintiff/Creditor filed by Jonathan Lee Riches* [Docket No. 733] (the "**Motion**"); and it appearing that the Court has jurisdiction over this matter pursuant to 28 U.S.C. § 1334; and it appearing that this proceeding is a core proceeding pursuant

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to 28 U.S.C. § 157; and it appearing that venue of this proceeding is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409; and adequate notice of the Objection and an opportunity to respond having been given; and upon the record of the Objection at a hearing held before the Court on June 18, 2010 (the “*Hearing*”); and the Court having determined that the relief requested in the Objection is in the best interest of the Reorganized Debtors and all other parties in interest; and notice of the Objection appearing adequate and appropriate under the circumstances; and the Court having found that no other further notice need be provided; and after due deliberation and sufficient cause appearing therefore, it is hereby ORDERED THAT:

1. The Motion is denied in its entirety.
2. The terms and conditions of this Order shall be immediately effective and enforceable upon entry of this Order.
3. The Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Order.

Date: _____, 2010
White Plains, New York

United States Bankruptcy Judge